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Senate Standing Committees on Environment and Communications
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Submission from Austral Fisheries Pty Ltd to the Senate Inquiry on “*The environmental, social and economic impacts of large-capacity fishing vessels commonly known as 'super trawlers' operating in Australia's marine jurisdiction...*”

Executive Summary

We are concerned at the potential for this inquiry to confuse two separate issues – one being the concerns over the use of a genuine super trawler, which has been legislatively defined and had any future operation prohibited (thus eliminating any need for this Inquiry). The second issue is the use of cost-efficient and effective freezer fishing vessels to harvest Australian fish, which this inquiry could easily be misled to consider.

We support the current regulatory framework and compliance arrangements, and believe the ‘model’ of the Australian Fisheries Management Authority as a Commission, and the Division of Fisheries within the Department of Agriculture, is a demonstrably successful one at ensuring scientifically, and environmentally robust outcomes within an effective management system. It cannot answer for political changes in direction or legislation (be they as a result of community concerns or other), as that is the purview of Parliament.

The single example of community concern over the small pelagic fishery and use of a (genuine) super trawler, does not demonstrate a failing of the effectiveness of the current regulatory framework, nor compliance arrangements. Rather, we believe it demonstrates a need to consider how Government should most appropriately respond to community concerns.

Changing legislation to define the size of a super trawler, and then to ban the use of super trawlers in Australia did not materially placate the concerns, as evidenced by this Inquiry.

We believe that is because the vessel size or freezing capacity is not at the heart of the issue. Similarly the science, environmental impacts, compliance, management and stock assessment elements are not at the heart of this issue. That's because it is clear the small pelagic fishery is limited by one of the most precautionary scientific assessments and allowable catch regimes globally for similar fisheries; and regulatory measures to limit any environmental impact abound and are equally world-leading (including carriage of observers and cameras, to provide yet further certainty of compliance).

Rather, the governance arrangements to encourage effective collaboration between recreational and commercial fishing activities are lacking, and should be addressed. This could require allocation arrangements to be explicitly made in some fisheries to clarify access arrangements; or could be an opportunity for the government to re-distribute existing commercial rights to recreational activities. Either option is feasible, as long as the government is prepared to provide fair and reasonable adjustment assistance to any commercial operator negatively impacted by that re-allocation of access. Or it could result in a Government decision to support the production of Australian fish for domestic and international consumption, but implement management measures to facilitate recreational access at certain times and places.

The governance arrangements between recreational and commercial operators can and should be improved, rather than risk undermining all of the great work in Commonwealth fisheries science, conservation and management through misinterpretation of the issues at stake in the small pelagic fishery, with the use of a "super trawler".

Main points under the Terms of Reference

Impacts on fish stocks and the marine food chain

1. Vessel size or vessel freezing capacity have no additional impacts on fish stocks and the marine food chain compared to smaller vessels, assuming appropriate fisheries resources management measures are applied.

Bycatch and interactions with protected marine species

2. Increasing vessel size can help *reduce* interactions and bycatch, as it facilitates the use of modern technology such as turtle excluder devices, marine mammal excluder devices, seabird mitigation measures (eg tori lines, retention of offal, brickle curtains), carriage of scientific and government observers, video recording of operations and more.

Current research and scientific knowledge

3. Current research and scientific knowledge of Commonwealth fish stocks has dramatically improved over the past decade, and continues to do so as evidenced by the annual reports on fish stock health produced by ABARES.

Social and economic impacts, including effects on other commercial fishing activities and recreational fishing

4. To maximise economic efficiency and thus generate the best returns to the Australian community, there need to be secure fisheries resources access rights, with sufficient flexibility to harvest stocks to scientifically determined levels using the most appropriate (and efficient) platform (fishing vessel) to achieve that goal.
5. Changes in commercial fishing vessels will occur as a result of:
 - a. The target stock status (ie scientific assessment of target stock status, bycatch stocks, and/or protected marine species)
 - b. Economic return, with the most efficient platform being used (be that as a result of vessel size, freezing capacity, speed of boat, safety considerations for crew, other) which generates the best return for the community;
 - c. Inappropriate regulations - there are many examples around the world where seemingly "well meaning" limits imposed on vessels have created perverse outcomes (eg short, fat boats being built to get around length restrictions; 'de-rated engines' being used to get around engine horsepower restrictions; extremely fast, fuel inefficient, vessels being used to avoid time restrictions on fishing and so on). All of those perverse outcomes cost the community, and the industry, as they are imposing inefficient operations.
6. Fisheries management with secure access rights, and based on output controls (ie scientifically based catch limits are imposed on how many fish can be sustainably harvested) is demonstrably preferable and generates both environmental and management 'stewardship' within the industry itself. This environmental stewardship is further promoted through the use of sensible, science based, eco-label schemes such as the Marine Stewardship Council certification (see www.msc.org).
7. Fisheries management based on input controls (eg boat size, boat numbers, days allowed to fish) deliberately impose inefficiencies in operations to achieve certain outcomes. There are rare exceptions where this can be appropriate, such as when the scientific stock assessments are unable to accurately predict stock sizes or allowable catches. Generally though, the returns to the community, and commercial industry, are lower when input controls are used.
8. We support an approach to determine allocations of all major fish species between recreational and commercial operations, to minimise future conflict between the two groups. Sharing of the fisheries resources is appropriate, and a process should be identified to ensure that can occur in a constructive, scientific, legal, and structured manner. As recreational fishers expand operations further offshore, and commercial operations face greater limitations, there is a need to ensure good dialogue and effective allocation of resource access between both groups. International approaches, such as the setting aside of specific portions of allowable harvest of a stock for recreational fishing;

or government purchasing commercial fishing access rights to provide them fully to the recreational community should be considered as options.

9. The current regulatory framework for Commonwealth fisheries provides certainty, security, and science based decision making tools. As with all legislation, there are improvements that can be made over time, but the model of the Australian Fisheries Management Authority Commission has worked extremely well in all instances with one exception – where the major campaign against “super trawlers” was run. In that context, the Government could have supported science based, secure access rights as the management measures outlined in legislation, but chose instead to create new legislation, with no recompense to the losses for the commercial industry. That creates uncertainty for investment by companies such as Austral, reduces the efficiency of fishing operations and hence loss to the community, and (as evidenced by this inquiry) makes little difference to the overall concerns raised by the campaigners from the community.
10. If the government determines that some, or all, of a fishery or fisheries should be set aside for uses other than commercial (be that recreational fishing, or just to prevent any fishing on a particular stock, or to set aside marine reserves for biodiversity conservation) then adequate adjustment assistance should be provided to any commercial operator negatively impacted.
11. Section 51 (XXXI) of the Australian Constitution identifies the need for ‘just compensation’ to be payable where government reallocates a right from one group to the benefit of another. If Government decides to set aside a commercial fishery, or section of a fishery, for reasons other than scientific or environmental concerns (eg setting aside all or some of the allowable commercial catch of a species for recreational fishers; or creating marine protected areas for future generations) then it should be on the basis that ‘fair and reasonable’ adjustment assistance is provided to commercial operators for the removal of all, or that portion, of their fishing access rights.

The effectiveness of the current regulatory framework and compliance arrangements

12. At a Commonwealth level, the Australian Fisheries Management Authority, combined with the Division of Fisheries in the Department of Agriculture, has proven to be a positive, effective and world leading model for management and compliance. Evidence of this can be seen when considering the stock status improvements over the past decade; the compliance arrangements which have reduced significantly illegal activities both domestically and internationally, and improved the cost efficiency and effectiveness of Australian Commonwealth fisheries. This can be seen in the annual ABARES publication on Fisheries Status reports, amongst others.
13. The single example of community concern over the small pelagic fishery, and use of a genuine “super trawler” does not demonstrate a failing of the effectiveness of the current regulatory framework or compliance arrangements. Rather it demonstrates a need for consideration of how Government should most appropriately respond to community concerns. Changing legislation to define the size of a super trawler, and then to ban the

use of super trawlers in Australia did not materially placate the concerns, as evidenced by this Inquiry. We believe that is because the vessel size or freezing capacity is not at the heart of the issue. Also, science and stock assessment is not at the heart of this issue, as it is clear the small pelagic fishery is limited by one of the most precautionary scientific assessments globally for similar fisheries (as others will no doubt provide evidence to the inquiry on).

- a. From a recreational perspective, we believe it is about 'resource allocation and access'. If there was a mechanism for government to provide certainty of access to recreational fishers that would have been more positive (for example, if government chose to purchase all of the commercial fishing rights for small pelagics at the Commonwealth level, then allow recreational fishers to catch those fish for bait). Or if Government decided to close large sections of the fishery to be 'recreational access only' and provide adequate adjustment assistance to the commercial operators for the re-allocation of their fishing access rights to recreational fishers, that could have helped. Or if the recreational concerns are that the small fish should be 'left' for their target species like tunas, marlins and sharks, then again the government could have provided adequate adjustment assistance to shut down the commercial fishery and set aside the small pelagic stocks for the recreational community. Forcing smaller boats to operate in the fishery simply reduces the economic efficiency of the operations (so costs the community); increases the potential for 'localised depletion' around shore-based factories (which is another area of concern for recreational fishers) or puts the entire commercial opportunity at risk of failing (again at a loss to the community, both financially and in a protein production sense).
- b. There are others in the community who would like to see zero small pelagic fish caught, for various reasons. Again, if Government decides that it is appropriate to set aside the fishery access rights for other reasons, then it could purchase back at a 'fair and reasonable' cost, all of the commercial access rights to that fishery, and set them aside for the community.

Any other related matters.

14. Austral own and operate 4 freezer vessels in the sub-Antarctic toothfish and icefish fisheries. Those vessels currently range in length from 50 metres to 68 metres and are all freezer vessels capable of storing from 300 to 500 tonnes of product. The size and freezing ability of those vessels are essential to ensure safety of crew and operations in the harsh environment, along with retaining the highest possible product quality. We operate within the highest standards of science, management, conservation, and environmental stewardship of the resources we have access to. Both of the toothfish fisheries, and mackerel icefish fishery we operate in are rated as sustainable under all Australian government assessment criteria, and also are certified as sustainable and well managed by the Marine Stewardship Council, as well as other international seafood choice organisations (eg Monterey Bay Aquarium Seafood Watch Program).

15. Austral own and operate one vessel currently on the high seas, Indian Ocean region, which is 68 metres long and is a freezer vessel. In the recent past we had an 87 metre vessel operating in that region (between Australia and Africa) again which was essential from an efficiency, sustainability, safety, and commercial viability perspective. The activities and stocks we access on the high seas are rated as sustainable by Australian government, and we have also completed substantive work and actions with government, as well as conservation groups and other responsible international industry members, to assist broader international management and sustainability of the Southern Indian Ocean region.

16. Austral own and operate 10 freezer vessels in the Northern Prawn Fishery across the top of Australia from Cape York in Queensland, to Cape Londonderry in Western Australia. This fishery is again rated fully sustainable by Australian government measures, and also by the Marine Stewardship Council. The vessels range in size from 21 metres to 25 metres length overall and, while they are freezer boats, they still require a carrier boat to also operate in the fishery (as they are too small to store on board the prawns caught during a normal 'season' in the remote northern waters). It may be appropriate to have larger, more fuel efficient, freezer vessels operate in the fishery, but commercial decisions on that are made inherently difficult with uncertainty surrounding the security of our access rights, and the ability to undertake the most cost efficient and effective operations to catch those prawns.

Background

Austral Fisheries Pty Ltd ("Austral") is one of Australia's leading wild capture fishing companies, based in Perth, Western Australia with operations in a number of Commonwealth fisheries. We are a privately owned company, with 50% of our shareholdings owned by the Kailis family, and 50% of the shareholdings owned by a major fishing company, Maruha Nichiro P/L, from Japan.

Austral has been a leader in fisheries resources sustainability and management since the early 1990's, including being the first fishing company in the world to sign up to the Marine Stewardship Council concept with Unilever and the World Wide Fund for Nature. We have a comprehensive, and demonstrated, success at working with conservation groups, government agencies, industry, and others to ensure healthy, sustainable fisheries are created and maintained. We have worked domestically and internationally towards that goal, and have had some major successes in areas as diverse as eliminating illegal fishing from toothfish fisheries; reducing seabird bycatch in demersal longline fisheries; creating sustainable and certified fisheries for toothfish internationally, and supporting collaborative efforts between industry competitors, conservation groups, scientists, governments and international agencies.

I would be pleased to expand further on any of these points, if the Committee is interested.

Yours sincerely

David Carter
CEO